

Message Text

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ACTION EUR-12

INFO OCT-01 EA-12 IO-14 ISO-00 SP-02 USIA-15 AID-05
EB-08 NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01
CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 XMB-04
OPIC-06 LAB-04 SIL-01 L-03 H-02 PA-02 PRS-01
NEA-10 AGRE-00 INT-05 OES-07 DOE-12 SOE-01 /162 W
-----118662 212150Z /63

R 212018Z DEC 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3441

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION GENEVA

AMCONSUL BORDEAUX

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AMCONSUL NICE

AMCONSUL STRASBOURG

UNCLAS SECTION 01 OF 05 PARIS 37208

USMTN: PARIS PASS OECD

USEEC

PASS TREASURY, FEDERAL RESERVE, COMMERCE, LABOR

E.O. 11652: N/A

TAGS: EALR, EFIN, EGEN, FR

SUBJECT: FRENCH FINANCIAL AND ECONOMIC DEVELOPMENTS

REF: PARIS 35724

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1. SUMMARY

THE FRENCH ECONOMY IS WINDING UP THE YEAR ON NOT QUITE THE JOYFUL NOTE IT HAD HOPED FOR, SINCE THE LONG AWAITED RECOVERY HAS YET TO MATERIALIZE. PM BARRE WARNS THAT IT WILL TAKE AT LEAST TWO YEARS TO PUT THE ECONOMY BACK ON A SOLID BASE. END SUMMARY.

2. BARRE CAUTIONS THAT AT LEAST TWO ADDITIONAL YEARS
ARE REQUIRED TO PUT FRENCH ECONOMY BACK ON ITS FEET

IN A SPEECH ON DECEMBER 20 PM BARRE REAFFIRMED THAT FRANCE HAD HAD SOME ENCOURAGING RESULTS SINCE THE INSTITUTION OF THE BARRE PLAN IN SEPTEMBER 1976 BUT WARNED THAT THESE COULD BE RAPIDLY COMPROMISED IF THE EFFORT WERE NOT CONTINUED. HE SAID THAT IT WOULD TAKE AT LEAST TWO MORE YEARS, AT THE PRICE OF A SUBSTANTIAL EFFORT, TO PUT THE ECONOMY BACK ON A SOLID BASE. IN HIS OPINION 1978 APPEARS AS THE CRUCIAL YEAR: EITHER THE FRENCH RESPECT THE COLLECTIVE DISCIPLINE AND PROGRESS TOWARDS THIS GOAL OR THEY GIVE IN TO ILLUSIONS AND SLIP RAPIDLY INTO DECLINE. BARRE PROPOSED FOUR OBJECTIVES:

A) TO DEFEND THE EXTERNAL EQUILIBRIUM AND THE STABILITY OF THE FRANC -- IT IS NECESSARY TO FIND A HEALTHY AND SATISFACTORY GROWTH FOUNDED ON INNOVATION, INVESTMENT AND EXPORTS. FRANCE WILL BE ABLE TO PROFIT FROM A CERTAIN INDEPENDENCE IN ITS ECONOMIC GROWTH ONLY IF IT CAN INCREASE ITS PRODUCTIVITY; AVOID DISORDERS WHICH AFFECT ITS RATE OF INFLATION, BALANCE OF PAYMENTS AND THE FRANC; ECONOMIZE IMPORTED ENERGY AND DEVELOP

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THE PRODUCTION OF NUCLEAR ENERGY.

B) TO RETURN PROGRESSIVELY TO FULL EMPLOYMENT -- THIS WILL BE ACCOMPLISHED BY PROLONGING THE MEASURES OF LAST JULY, DEVELOPING SYSTEMATICALLY PROFESSIONAL TRAINING AND ALTERING THE SYSTEM OF UNEMPLOYMENT PAYMENTS TO INCITE PEOPLE TO FIND RAPIDLY A JOB.

C) TO MODERATE THE INCREASE IN THE COST OF PRODUCTION AND WAGES -- THE OBJECTIVE IS IN THE NEXT FEW YEARS TO BRING DOWN THE INCREASE IN PRICES AND WAGES TO BELOW 10 PERCENT PER YEAR.

D) TO REINFORCE PRODUCTIVE CAPACITY -- BY REORGANIZATION AND RESTRUCTURING, SPECIALIZATION AND RESTORATION OF SOUND COMPANY FINANCES. THE PM SAID THAT IT WAS NECESSARY THAT COMPANIES BE RESTORED THE FREEDOM TO SET THEIR PRICES BUT THAT THIS MUST BE ACCCOMPANIED BY A REDUCTION OF GOVT BUDGETARY AID TO COMPANIES, A MODERATE INCREASE IN THE MONEY SUPPLY AND A GROWTH IN INTERNATIONAL

COMPETITION.

IN THE QUESTION AND ANSWER SESSION, BARRE ALSO
COMMENTED ON THE RECENT APPRECIATION OF THE MARK
AND THE SWISS FRANC. THIS WILL BE REPORTED

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TO SECSTATE WASHDC 3442

INFO AMEMBASSY BONN

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SEPARATELY.

3. BOF REPORTS NO CHANGE IN ACTIVITY IN NOVEMBER

ACCORDING TO THE BANK OF FRANCE, THERE WAS NO
PERCEPTEBLE CHANGE IN INDUSTRIAL ACTIVITY IN NOVEMBER.
INDUSTRIAL ACTIVITY AS A WHOLE REGISTERED A SLIGHT
DECLINE WHICH WAS PRIMARILY DUE TO SEASONAL FACTORS.

DISPOSABLE PRODUCTIVE CAPACITY INCREASED IN THE
INTERMEDIATE GOODS SECTOR AND REMAINED AT A FAIRLY
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HIGH LEVEL IN OTHER INDUSTRIES. AS IN PREVIOUS
MONTHS, FIRMS STRICTLY LIMITED THEIR PURCHASES,
BEING VERY CAREFUL NOT TO END THE YEAR WITH
INVENTORIES EXCEEDING THEIR ACTUAL NEEDS.
INVENTORIES OF PRODUCTS FOR DELIVERY INCREASED AND
FREQUENTLY SURPASSED THE LEVEL JUDGED NORMAL BY
COMPANY HEADS. THE BOF EXPECTS THE VOLUME OF
INDUSTRIAL PRODUCTION AT THE BEGINNING OF 1978 TO
BE NEAR THAT OF LAST AUTUMN DESPITE A FALL IN
PRODUCTION AT THE END OF THE YEAR RESULTING FROM
FACTORY CLOSINGS DURING THE HOLIDAY SEASON FOR THE
PURPOSE OF REDUCING INVENTORIES

4. GOF WILL AID SELECTED INDUSTRIES TO AVOID FAILURES

THE GOF IS GOING TO PROVIDE FF 770 MILLION IN
FINANCIAL AID TO THE PAPER AND CARDBOARD,
CLOCK-WATCH, AND SMALL ARMS INDUSTRIES. ACCORDING
TO MINISTER OF INDUSTRY AND COMMERCE MONORY, IT
IS NOT A QUESTION OF CREATING JOBS BUT OF MAINTAINING
THEM SINCE THESE INDUSTRIES ARE IN DANGER OF FAILING
IF NOTHING IS DONE. THE CARDBOARD AND PAPER
INDUSTRY, WHICH IS RUNNING A TRADE DEFICIT OF FF 3.5
BILLION, SECOND ONLY TO PETROLEUM, WILL RECEIVE
FF 600 MILLION IN LOANS FROM THE FUND FOR
ECONOMIC AND SOCIAL DEVELOPMENT IN ORDER TO CUT
ITS DEFICIT BY HALF. AS PART OF MONORY'S CONCERN
TO BETTER ORIENT SAVING TOWARDS INDUSTRY (SEE REFTEL),
THE CREDIT AGRICOLE WILL LEND FF 80 MILLION TO A
PAPER COMPANY. THE CLOCK AND WATCH INDUSTRY WILL
RECEIVE FF 165 MILLION: 100 FF MILLION FROM THE
FDES, FF 35 MILLION IN AID TO DEVELOPMENT AND /F 30
MILLION IN REPAYABLE ADVANCES. THE GOF WILL ALSO
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TAKE STEPS TO AID THE MACHINE TOOL, FURNITURE,
ELECTRONIC, SCIENTIFIC INSTRUMENTS AND AUTOMOBILE
PARTS INDUSTRIES.

5. ESTIMATES OF 1977 CAPITAL GOODS EXPENDITURE
REVISED DOWNWARD

INDUSTRIALISTS INDICATED IN A NOVEMBER INSEE SURVEY THAT THEIR INVESTMENT BUDGETS CORRESPOND TO A NOMINAL INCREASE OF 11 PERCENT IN 1977. THIS IS A DOWNWARD REVISION FROM THEIR ESTIMATES THIS PAST SUMMER WHEN THEY WERE COUNTING ON A 13-14 PERCENT INCREASE. THE SURVEY WHICH INCLUDES PRIVATE INDUSTRIAL FIRMS, EXCLUDING BUILDING AND PUBLIC WORKS, AS WELL AS SOME COMPETING NATIONALIZED COMPANIES COVERS APPROXIMATELY TWO-FIFTHS OF PRODUCTIVE INVESTMENT OF NON-FINANCIAL PUBLIC AND PRIVATE COMPANIES. THEREFORE, IN REAL TERMS, THE INCREASE IN THIS CATEGORY OF INVESTMENT SHOULD BE ABOUT 2 PERCENT THIS YEAR. IT WILL BE STRONGEST IN THE AUTOMOBILE, GLASS AND PETROLEUM SECTORS AND WEAKEST IN AERONAUTIC AND SHIP CONSTRUCTION AND METAL PRODUCTION.

FOR 1978 COMPANY HEADS EXPECT THEIR INVESTMENT BUDGETS TO INCREASE BY 12 PERCENT WHICH COULD RESULT IN A SLIGHT INCREASE IN THE RATE OF GROWTH OF REAL PRODUCTIVE INVESTMENT. INDUSTRIALISTS INDICATE THAT INVESTMENT ORDERS INCREASED STRONGLY IN THE FIRST SEMESTER, BUT FELL IN THE SECOND SEMESTER. HOWEVER, THERE SHOULD BE A LIGHT RECOVERY IN THE FIRST HALF OF NEXT YEAR.

6. INSEE SURVEY REPORTS THAT HOUSEHOLDS ARE SLIGHTLY MORE OPTIMISTIC THAN HAL/ YEAR AGO

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INSEE'S SEMI-ANNUAL SURVEY OF HOUSEHOLDS, CONDUCTED BETWEEN OCTOBER 15 AND NOVEMBER 5 (ALMOST ENTIRELY BEFORE THE RELEASE OF THE SEPTEMBER PRICE RESULTS AND BARRE'S SPEECH ON COMBATTING INFLATION), REVEALS THAT HOUSEHOLDS WERE LESS PESSIMISTIC

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NEA-10 AGRE-00 INT-05 OES-07 DOE-12 SOE-01 /162 W
-----119116 212149Z /63

R 212018Z DEC 77

FM AMEMBASSY PARIS
TO SECSTATE WASHDC 3443

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

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CONCERNING THE ECONOMIC SITUATION THAN THEY WERE LAST MAY. THEY WERE PARTICULARLY MORE OPTIMISTIC WITH REGARD TO THEIR EVALUATIONS OF RECENT PRICE RESULTS. THEY WERE ALSO SLIGHTLY MORE OPTIMISTIC REGARDING EMPLOYMENT, THEIR LIVING STYLES AND THEIR FUTURE PERSONAL FINANCIAL SITUATIONS. HOUSEHOLDS EXPRESSED A DESIRE TO INCREASE THEIR SAVINGS ALTHOUGH THEIR JUDGMENT OF THEIR CURRENT AND POTENTIAL CAPACITY TO SAVE REMAINED VIRTUALLY STABLE BETWEEN MAY AND NOVEMBER. THEY ALSO UNCLASSIFIED

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INDICATED A SLIGHTLY STRONGER WILLINGNESS TO UNDERTAKE SOME LARGE-SCALE PURCHASES IN THE COMING MONTHS.

7. CONTRADICTORY REPORTS ON RECENT TRENDS IN DEMAND

THERE HAVE BEEN CONTRADICTORY REPORTS ABOUT RECENT TRENDS IN DEMAND. ACCORDING TO THE BANK OF FRANCE REPORT, DEMAND FOR INDUSTRIAL GOODS REMAINED SLUGGISH IN NOVEMBER, WITH FOREIGN DEMAND BEING FIRMER THAN DOMESTIC DEMAND. HOWEVER, THE INSEE

INDEX OF HOUSEHOLD CONSUMPTION OF MANUFACTURED PRODUCTS (40 PERCENT OF HOUSEHOLD EXPENDITURE) REGISTERED 15.34 IN NOVEMBER, UP FROM 14.96 IN OCTOBER, COMPARED TO THE AVERAGES OF 15.24 FOR JULY-NOVEMBER AND 14.96 FOR JANUARY-JUNE. IN ADDITION, IMPORTS OF CONSUMER GOODS INCREASED BY 14 PERCENT IN NOVEMBER. IT IS QUESTIONABLE WHETHER THIS RESULTED FROM A STRENGTHENING IN CONSUMER DEMAND OR A BUILD-UP IN INVENTORIES IN ANTICIPATION OF AN APPRECIATION OF FOREIGN CURRENCIES.

8. GOF 1978 FORECASTS ARE SUBJECT TO SKEPTICISM

A REPORT PRESENTED TO THE ECONOMIC AND SOCIAL COUNCIL CONCLUDES THAT THE GOF FORECAST FOR A 4.5 PERCENT RATE OF GROWTH IN 1978 IS VERY PROBLEMATICAL BECAUSE IT IMPLIES THAT INFLATION SLOW DOWN SUBSTANTIALLY, HOUSEHOLD CONSUMPTION RECOVER, AND THE POSSIBILITIES OF PRIVATE BUSINESS INVESTMENT IMPROVE. THE REPORT RECOMMENDS THAT IN ORDER TO SUPPORT ACTIVITY AND TO CORRECT THE UNEMPLOYMENT SITUATION, IT WILL BE NECESSARY TO

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INCREASE GOF PARTICIPATION AND AID THROUGH UNDERTAKING MORE PRIORITY PROGRAMS PROVIDED FOR IN THE SEVENTH PLAN AND INCREASING AID FOR INVESTMENTS BY THE FDES AND THE SPECIAL CONTINGENCY FUND.

9. DECLINE IN INDUSTRIAL PRODUCTION IN OCTOBER

THE MONTHLY INDEX OF INDUSTRIAL PRODUCTION FELL TO 123 TO OCTOBER FROM THE REVISED SEPTEMBER FIGURE OF 125. THE DECLINE IN PRODUCTION WAS PRIMARILY ATTRIBUTABLE TO THE ENERGY AND CONSUMER GOODS SECTORS BOTH OF WHICH EXPERIENCED A 5 PERCENT DROP IN PRODUCTION, THE FORMER BEING PRIMARILY DUE TO THE MILD OCTOBER WEATHER AND THE LATTER TO A DECLINE IN AUTOMOBILE PRODUCTION.

INDUSTRIAL PRODUCTION INDEX
(THREE MONTH MOVING AVERAGE, SEASONALLY ADJUSTED, 1970
100)

| | OCT.76 | AUG. | SEPT. | OCT. |
|--|--------|------|-------|------|
| TOTAL EXCLUDING (EXCLUDING BUILDING & PUBLIC WORKS) | 125 | 125 | 124 | 124 |
| ENERGY | 118 | 119 | 118 | 116 |
| INTERMEDIATE GOODS | 118 | 117 | 115 | 115 |

| | | | | |
|----------------|-----|-----|-----|-----|
| CONSUMER GOODS | 137 | 137 | 138 | 139 |
| CAPITAL GOODS | 146 | 151 | 151 | 148 |

10. BUSINESS BANKRUPTCIES INCREASE IN NOVEMBER

AFTER TWO MONTHS OF A FAIRLY MODERATE LEVEL OF BUSINESS BANKRUPTCIES, THE NUMBER SHOT UP AGAIN IN NOVEMBER TO ITS HIGHEST LEVEL SO FAR THIS YEAR ON BOTH A SEASONALLY ADJUSTED AND UNADJUSTED BASIS. THE SECTORS HARDEST HIT WERE BUILDING-PUBLIC WORKS UNCLASSIFIED

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AND INDUSTRY, BUT TRANSPORT AND "OTHER SERVICES" ALSO WERE AFFECTED. FOR COMMERCE THE TREND REMAINED MODERATE DESPITE THE INCREASE IN BANKRUPTCIES IN THE FOOD PRODUCT SECTOR.

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NEA-10 AGRE-00 INT-05 OES-07 DOE-12 SOE-01 /162 W
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R 212018Z DEC 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3444

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY ROME

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C O R R E C T E D C O P Y (T E X T)

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11. FRENCH TRADE BALANCE, NOVEMBER 1977

A. FRANCE'S TRADE BALANCE, CORRECTED FOR SEASONAL VARIATIONS, REVERTED TO THE LARGEST DEFICIT SINCE ONE YEAR, AFTER A SLIGHT SURPLUS HAD BEEN ACHIEVED IN SEPTEMBER AND OCTOBER. ONLY TWO WEEKS AGO GOVERNMENT EXPERTS HAD FORECAST EQUILIBRIUM FOR THE UNCLASSIFIED

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LAST TWO MONTHS OF THIS YEAR.

B. FOREIGN TRADE
(BILLIONS OF FRANCS)

PERCENT
CHANGE FROM

NOV.76 OCT.77 NOV.77 OCT.77 NOV. 76

IMPORTS FOB 27.6 27.2 29.2 # 7.3 # 5.7

EXPORTS FOB 24.4 28.6 27.2 - 4.9 #11.1

BALANCE - 3.2 # 1.4 - 2.0 --- ---

PERCENT OF IMPORTS

COVERED BY

EXPORTS 88.6 105.1 93.1 --- ---

CORRECTED FOR SEASONAL VARIATIONS

IMPORTS FOB 28.1 27.9 30.4 # 8.8 # 8.1

EXPORTS FOB 24.3 28.0 27.7 - 1.2 #13.9

BALANCE - 3.8 # 0.1 -2.7 --- ---

PERCENT OF IMPORTS

COVERED BY

EXPORTS 86.5 100.5 91.2 --- ---

C. IN A COMMUNIQUE RELEASING THESE FIGURES, FOREIGN TRADE MINISTER ROSSI REFERRED TO THE SHARP INCREASE OF IMPORTS FROM OCTOBER TO NOVEMBER (#8.8 PERCENT) AS BEING PARTLY DUE TO LARGER PETROLEUM IMPORTS. THOSE EXCEEDED THE PRECEDING THREE MONTHS AVERAGE (WHEN THEY WERE "MODERATE" ACCORDING TO THE MINISTER'S STATEMENT) BY F1.3 BILLION. IN FACT,

PRICE INCREASES FOR CRUDE EXPECTED IN JANUARY
1978 POROMPR0MTEDTE RTERS TO INCREASE ORDERS IN
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OCTOBER AND EARLY NOVEMBER. WHILE SUCH PRICE
INCREASES ARE NOW LESS LIKELY TO BECOME EFFECTIVE,
DECEMBER WILL ALSO PROBABLY BE MARKED BY
RELATIVELY LARGE PETROLEUM IMPORTS.

D. HOWEVER, IMPORTS OF CONSUMER GOODS (#14 PERCENT
FROM OCTOBER), AND TO A LESSER EXTENT CAPITAL
GOODS, ALSO INCREASED MORE THAN "NORMAL." THIS
DEVELOPMENT INDICATES THAT DOMESTIC DEMAND IS
STRONGER THAN IT WAS BELIEVED AND THAT FRENCH
ENTERPRISES FAILED TO ADAPT THEMSELVES TO INCREASED
CONSUMPTION BY HOUSEHOLDS, A FACT FROM WHICH
FOREIGN ENTERPRISES OBVIOUSLY BENEFITED.

E. FINALLY THE MINISTER CAUTIONED THAT ANY MEASURES
STIMULATING THE ECONOMY IN GENERAL WOULD, WITHOUT
DOUBT, RESULT IN A DETERIORATION OF THE FRENCH TRADE
BALANCE.

F. IN SPITE OF THE UNFAVORABLE NOVEMBER TRADE
BALANCE, FINANCE MINISTRY TECHNICIANS
MAINTAIN PREVIOUS ESTIMATES OF THE 1977 OVERALL
BALANCE OF PAYMENTS CURRENT ACCOUNT DEFICIT
BETWEEN F14 AND F15 BILLION. PRIME MINISTER
BARRE IN A LUNCHEON MEETING WITH THE ECONOMIC
PRESS ALSO ESTIMATED THE CURRENT ACCOUNT DEFICIT FOR
1977 TO BE F15 BILLION.

12. SEASONALLY ADJUSTED CURRENT ACCOUNT IMPROVED
IN THIRD QUARTER

ALTHOUGH THE UNADJUSTED DATA FOR THE BALANCE OF
PAYMENTS SHOW A DETERIORATION IN THE CURRENT
ACCOUNT BETWEEN THE SECOND AND THIRD QUARTER
FROM A DEFICIT OF FF 1.8 BILLION TO FF 3.8 BILLION,
ON A SEASONALLY ADJUSTED BASIS THE DEFICIT DECLINED
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FROM FF 3.2 BILLION TO FF 2.1 BILLION. THE
TRADE DEFICIT WAS FF 3.3 BILLION (FF 2.6 BILLION
SEASONALLY ADJUSTED) WHILE THE SERVICE SURPLUS WAS

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FF 1.7 BILLION (FF 2.4 BILLION SEASONALLY ADJUSTED).
PUBLIC TRANSFERS WERE FF 0.2 BILLION WHILE PRIVATE
TRANSFERS WERE FF 2.0 BILLION.

THE SURPLUS ON LONG-TERM CAPITAL AND SHORT-TERM
PRIVATE CAPITAL INCREASED FROM FF 1.0 BILLION IN
THE SECOND QUARTER TO FF 2.6 BILLION IN THE THIRD
QUARTER. THE DEFICIT ON LONG-TERM CAPITAL INCREASED
FROM FF 0.3 BILLION TO FF 1.7 BILLION DUE TO A
DECREASE IN DRAWINGS ON FOREIGN BORROWINGS. THESE
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FELL FROM FF 7.5 BILLION IN THE SECOND QUARTER
TO FF 3.9 BILLION IN THE THIRD QUARTER. OUTWARD
FLOWS FOR PORTFOLIO AND DIRECT INVESTMENTS DECLINED
FROM FF 3.6 BILLION IN THE SECOND QUARTER (REVISED
FROM FF 70 MILLION) TO FF 0.9 BILLION IN THE THIRD
QUARTER. EXPORT CREDITS SHOWED LITTLE CHANGE FROM
THE PREVIOUS TWO QUARTERS (FF 4.3 BILLION). PRIVATE
SHORT CAPITAL RECORDED A FF 4.3 BILLION SURPLUS
WHILE MONETARY TRANSFERS AND ERRORS AND OMISSIONS
HAD A FF 5.8 BILLION SURPLUS. THE EXTERNAL MONETARY
POSITION IMPROVED BY FF 4.6 BILLION, FF 2.34 BILLION
DUE TO A DECLINE IN FRENCH BANKS' EXTERNAL
INDEBTEDNESS AND FF 2.23 BILLION DUE TO AN
INCREASE IN OFFICIAL FOREIGN EXCHANGE RESERVES.

FRENCH BALANCE OF PAYMENTS
(IN BILLIONS OF FRANCS; DATA FOR THIRD QUARTER 1977
PRELIMINARY; DATA FOR FIRST AND SECOND QUARTER 1977
REVISED)

| | | | | | |
|-------------------------|------|-------|------|------|------|
| TRADE BALANCE | -8.9 | -22.7 | -6.8 | -2.5 | -3.3 |
| NET SERVICES | 2.7 | 4.5 | L.4 | 4.0 | L.7 |
| BAL ON GOODS & | | | | | |
| SERVICES | -6.2 | -18.2 | -5.4 | 1.5 | -1.6 |
| NET TRANSFERS | -2.4 | -10.9 | -2.7 | -3.3 | -2.2 |
| BAL ON CURRENT ACCT. | -8.6 | -29.1 | -8.1 | -1.8 | -3.8 |
| LONG TERM CAPT. | 2.3 | -5.3 | -1.3 | -0.3 | -1.7 |
| BASIC BALANCE | -6.3 | -34.4 | -9.4 | -2.1 | -5.5 |
| PRIVATE SHORT-TERM CAP. | 1.5 | 11.3 | -1.8 | 1.4 | 4.3 |
| MONETARY TRANSFERS | | | | | |
| PLUS ERRORS AND | | | | | |
| OMISSIONS | 3.3 | 4.0 | 7.7 | 4.5 | 5.8 |

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BALANCE -1.5 -19.1 -3.5 3.8 4.6

13. LONG TERM EXTERNAL BORROWINGS

THE FOLLOWING LONG-TERM EXTERNAL BORROWINGS WERE
NOTED IN THE PRESS DURING THE REPORTING PERIOD.

- A) SNCF, \$40 MILLION, 7 YEARS, 8.25 PERCENT.
- B) SOCIETE DE DEVELOPPMENT REGIONAL, DM 100 MILLION,
15 YEARS, 6.25 PERCENT
- C) BANQUE FRANCAISE DU COMMERCE EXTERIEUR, DFLS 75
THOUSAND, 1977-1983/87, 8 PERCENT.

OTHER REPORTS SUBMITTED DURING THE PERIOD

TELEGRAMS PARIS

36742 PARIS FOREX MARKET

36384 NOVEMBER 17 DRAFT ON OUTLOOK FOR FRANCE UNDER
LEFTIST MANAGEMENT

35999 GOF WILL AID INVESTMENTS TO CONSERVE ENERGY
BUT HAS NOT YET MADE DECISION CONCERNING TAX ON
ENERGY CONSUMPTION

35372 SEASONAL ADJUSTMENT MECHANISMS MAINLY
RESPONSIBLE FOR DISCREPANCIES IN UNEMPLOYMENT DATA

AIRGRAMS PARIS

A-408 FRENCH FOREIGN EXCHANGE HOLDINGS

A-402 TRADE WITH COMMUNIST AREAS

A-401 FRENCH FOREIGN EXCHANGE HOLDINGS
HARTMAN

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, FINANCIAL TRENDS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS37208
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770476-0593
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771231/aaaabacd.tel
Line Count: 673
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4d2716ff-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 13
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 PARIS 35724
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 158917
Secure: OPEN
Status: NATIVE
Subject: FRENCH FINANCIAL AND ECONOMIC DEVELOPMENTS
TAGS: EALR, EFIN, EGEN, FR
To: STATE USEEC
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/4d2716ff-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009